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No. 475

In the

Supreme Court of the United States

OCTOBER TERM, 1965

GREAT LAKES CARBON CORPORATION,
Petitioner,

vs.

CONTINENTAL OIL COMPANY, UNION CARBIDE CORPORATION, ET AL.,
Respondents.

RESPONDENTS' BRIEF OPPOSING PETITION FOR WRIT OF CERTIORARI

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The Scheffer Press, Inc.—ANdover 3-6850

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To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

The Complaint in this case charged infringement of a patent and misappropriation of a trade secret. The same petroleum coking process accused as an infringement of Petitioner's patent was also alleged to be a trade secret. The District Court dismissed the Complaint and the Court of Appeals for the Fifth Circuit affirmed by *per curiam* Opinion.

Petitioner now seeks to have this Court grant Certiorari to "review and vacate the Judgment . . . of the United States Court of Appeals for the Fifth Circuit" on the basis that the

". . . Court of Appeals has failed to apply the applicable rule of evidence of this Court set forth in *Clark* v. *United States,* 289 U.S. 1, 15; and has so far departed from the accepted and usual course of judicial proceedings as to call for the exercise of this Court's power of supervision."

More specifically, the Petition states (p. 2):

"This Petition is concerned with certain documents which came from the files of Roy C. Hackley, Jr., one of the attorneys for Continental Oil Co., one of the Respondents. These documents were held by the United States District Court for the Western District of Louisiana to be subject to attorney-client privilege. They are under seal, and have never been seen by Petitioner."

OPINIONS OF THE COURTS BELOW AND REVIEW OF PERTINENT PRIOR PROCEEDINGS

Petitioner, at an early pre-trial stage in this case, moved under Rule 34 F.R.C.P. for production of certain documents from the files of Respondent Continental Oil Company. The request was directed to certain files of Roy C. Hackley, Jr., chief patent lawyer of Respondent Continental Oil. Respondent Continental had produced a number of documents falling within the scope of the demand but withheld others on the ground of attorney-client privilege. The District Court, with Respondents' approval, examined the documents *in camera.* It ordered certain of them turned over to Petitioner but stated in its ruling (Judge Hunter's letter to counsel of July 2, 1959) that it believed ". . . by far the greater number of these documents are privileged. . . ."

The trial in this case occurred in September of 1962. At the trial Petitioner asked to have an exhibit number ap-

plied to a sealed envelope containing these documents and sought to offer the same in evidence. The number was applied (PX-208) but the material was not admitted in evidence.

After the case was appealed to the Fifth Circuit Court of Appeals that exhibit was sent up with the rest of the record. Shortly after filing its notice of appeal, Petitioner filed an extraordinary motion entitled:

> "Motion Under Rule 21 of this Court and Under Rule 75(j) F.R.C.P. for an Immediate Order Granting Counsel for Appellant the Right to Inspect Certain Documents Now Under Seal"

The Court of Appeals heard argument on the motion and denied it (332 F. 2d 588) saying in substance that the question would be considered when the entire matter was before the Court.

In its *per curiam* Opinion (345 F. 2d 175) affirming the District Court's judgment, the Court of Appeals stated with respect to the documents here in issue:

> "After the appeal was taken the plaintiff moved this court for the right to inspect the impounded documents. At the hearing of the motion this court deferred its further consideration until the hearing of the appeal on the merits. *Great Lakes Carbon Corp.* v. *Continental Oil Co.*, 1964, 332 F. 2d 588. We have now given further consideration to the motion and have examined the impounded documents. We are satisfied that the district court did not err in holding them to be privileged against inspection by the plaintiff.
>
> "The motion for inspection is denied and the judgment of the district court is affirmed."

Shortly after its Petition for Rehearing was denied Petitioner filed a new Petition to the Court of Appeals this time seeking access to certain internal communications between Judges Rives, Brown, and Maris, the panel which rendered the *per curiam* Opinion, relative to the withheld documents. That was denied shortly after this Petition was filed (Order of Fifth Circuit Court of Appeals dated August 26, 1965).

Petitioner now seeks this Court's grant of a writ of certiorari to vacate a judgment which has been affirmed *in toto* and *per curiam* by the Court of Appeals to obtain access to the documents in question which although never seen by Petitioner have been reviewed by both of the Courts below and held to be privileged.

Plaintiff—as it did in the Court of Appeals—argues that despite the privileged status of these documents, they should be shown to Petitioner and the judgment below vacated because Mr. Hackley, the lawyer whose communications are involved, participated in an alleged fraud which should cause the Courts to disregard the privilege.

QUESTION PRESENTED

Petitioner ignores the only question properly before this Court. It is:

> Whether there is any basis for a review by this Court of concurring decisions of the Court of Appeals and the District Court that certain documents are privileged and should remain so.

Petitioner sets forth three specious "questions" for consideration by this Court; but this, it is submitted, is the only question of substance.

SUMMARY STATEMENT OF THE CASE

The foregoing review of proceedings in this case to date, with particular reference to Petitioner's continued efforts to gain access to the withheld documents, does for the most part also set forth the facts pertinent to the instant petition.

Petitioner, plaintiff below, has sought at every stage to flavor this case with totally unsupported allegations of fraud and to more or less incidentally use such allegations to gain entry to the privileged documents which are the subject of the instant Petition. The thrust of Petitioner's argument has been that even if the documents are privileged, such privilege should be disregarded because Mr. Hackley, Respondent Continental's chief patent lawyer, has allegedly committed fraudulent acts.

As it has in its present Petition, Petitioner has in every instance coupled its vague and completely unsupported charges of fraud with reference to the Fifth Circuit Court of Appeals' decision in *Seismograph Service Corp.* v. *Offshore Raydist,* 263 F. 2d 5, which affirmed Judge Wright's decision (135 F. Supp. 342) and argued that in accordance with that case where a *prima facie* showing of fraud has been made the privilege must be pierced. Both before the Court of Appeals and now in its present Petition it has also referred to the earlier decision of this Court in *Clark* v. *United States,* 289 U.S. 1—a case involving a juror's privilege but containing the dicta set forth in the footnote at the bottom of page 2 of the Petition.

The striking fact about the case at bar—in which the Complaint expressly averred inequitable conduct, *i. e.,* alleged misappropriation of a trade secret and also charged Mr. Hackley with seeking to "conceal and shelter the piracy"—is that both the trial Court and the Court of Ap-

peals, in the light of all the evidence which Petitioner was able to adduce, have not only decided against Petitioner on all counts but each of those Courts has actually examined the privileged documents.

Faced with this obvious fact, Petitioner nevertheless asks this Court in the guise of an evidentiary issue to review the "question" of whether the "privilege should have taken flight" on the apparent basis that if it could get at those documents its cries of fraud would be supported. At the same time, however, it gives this candid appraisal of the result if it were to get the documents (p. 11 of Petition):

> "The question of whether or not 'the privilege takes flight' cannot be decided by looking at the documents. This must be decided by examining other evidence to see if there is 'something to give colour to the charge' of fraud. *Clark* v. *United States,* 289 U.S. 1, 15, 77 L. Ed. 993, 1000."

Petitioner is therefore, in the position of asking the Court to vacate the judgment and destroy the privilege so that it can have an opportunity to prove fraud therefrom. Yet it recognizes that the lower Courts, which were fully aware of Petitioner's contentions of alleged fraud, examined all the evidence which plaintiff adduced, reviewed the privileged documents and flatly held against Petitioner on all counts.

ARGUMENT.

1. PETITIONER'S ATTEMPT TO PREMISE ITS ARGUMENT ON AN ALLEGED QUOTATION OF A MEMBER OF THE COURT OF APPEALS IS COMPLETELY IMPROPER.

Petitioner has had the temerity to state (p. 5 of its Petition):

> ". . . at the hearing of this cause in the Court of Appeals, one of the Circuit Judges announced from the bench (with the other two judges seeming to agree, *sub silentio*) that Respondents had lost their right to rely on privilege with respect to the documents of PX-208 because Hackley had 'tarred himself' by filing a false oath in the Patent Office . . ."

More of the same sort of thing appears at page 8 of the Petition where reference is again made to what Judge Brown "stated" at the hearing and at page 16a (Petition for Rehearing reproduced) where an even more extensive "quotation" is set forth. On page 10 of the Petition there appears this further startling statement:

> "When Judge Brown announced from the bench at the hearing that Petitioner was entitled to inspect the documents, Petitioner assumed that all that remained to be done on that point of law before the Court was the entry of a formal Order properly attested."

And then there is this (pp. 10-11):

> "The failure of the *per curiam* Opinion to formalize the announcement of Judge Brown, or, if the Court no longer adhered to his announcement, to say so and explain why, is, we submit, *per se,* grounds for this Court vacating the judgment and remanding the cause . . ."

As the Court well knows, there is usually no reporter present during arguments in Courts of Appeals. There certainly was none present during the argument in this case. The alleged quotes of Judge Brown, therefore, have no authenticity whatever. Moreover, to the extent that Judge Brown, or any judge, may pose a question or make a statement to counsel during an argument to draw out desired facts, it is clear that the ultimate decision of the Court completely supersedes what may have transpired during the hearing.

While Respondents cannot—any more than can Petitioner—accurately state to this Court what it was that Judge Brown said, one thing about whatever he said is certain. His remarks were aimed at eliciting a statement from counsel as to what result might follow *"if"* Mr. Hackley had in some way done an improper act.

2. THE QUESTION IS NOT ONE OF EVIDENCE OR THE EXERCISE OF SUPERVISORY AUTHORITY BY THIS COURT. IT IS WHETHER PETITIONER HAS DEMONSTRATED ANY BASIS FOR THIS COURT'S REVIEWING THE CONCURRING HOLDINGS OF PRIVILEGE BY THE TWO LOWER COURTS.

Petitioner states that "one of the main questions of law presented to the Court of Appeals" was whether "the rule of evidence of *Clark* v. *United States*" applied to the documents.

While one cannot be certain just what "rule of evidence" in that case Petitioner refers to, let us assume that reference is made to the possibility of casting aside a privilege (in *Clark* it was a *juror's* privilege) if some showing is made of an abuse of the relationship from which the privilege arises. That is also the thrust of Petitioner's argument relative to the *Seismograph* decision, *supra*.

Contrary to what seems to be Petitioner's argument, both of the Courts below, of necessity, considered this same argument against a background of the case as whole and completely rejected Petitioner's position.

It is important to note that the Complaint not only charged Respondents with highly inequitable conduct in connection with Petitioner's alleged trade secret, but that it also explicitly accused Mr. Hackley of seeking to "conceal and shelter the piracy of plaintiff's process." The findings of fact and conclusions of law (219 F. Supp. 468) which were affirmed *per curiam* make it clear that after a very fair and thorough consideration such charges were totally rejected and the Complaint dismissed.

The *Clark* case involved an appeal from a criminal conviction of a juror for answering falsely on a *voir dire* examination conducted by the trial judge. One of the alleged errors urged by the Petitioner in that case was that certain evidence admitted during the criminal contempt trial was elicited improperly and in derogation of the petitioner's juror's privilege. The Court duly considered the history of such privilege and discussed its analogy to the attorney-client privilege before concluding as follows:

> "In the record now before us the evidence of guilt is ample, without the happenings in the jury room, to break down the claim of privilege, and thus let in the light. There is the evidence of the concealment of the petitioner's employment with all its sinister implications. There is the evidence of her arguments with the jurors while the trial was going on. There is even the evidence of her vote, for the fact that she had voted for acquittal had been stated in her answer, and to the extent of the voluntary disclosure the privilege had been waived. Indeed what happened in the jury room added so little to the case that the error, if there had been any, in permitting it to be proved, would

> have to be regarded as unsubstantial and without effect on the result. No one can read the findings of the triers of the facts and hesitate in concluding that even with this evidence omitted there would have been an adjudication of contempt. In considering with all this fulness the merits of the ruling, we have been moved by the desire to build securely for the future."

The contrast between the facts in the *Clark* case and in the case at bar is striking.

3. THE CONCURRING OPINIONS OF THE COURTS BELOW WHICH WHOLLY REJECTED PETITIONER'S CHARGES OF WRONGDOING ARE A COMPLETE ANSWER TO ARGUMENT THAT THE COURTS SHOULD HAVE EXPRESSLY PASSED ON THE CLARK CASE.

The same arguments which are now before this Court were made repeatedly and extensively below. In neither decision did the Courts consider it necessary or proper to discuss Petitioner's reckless charges of fraud.

In this Court Petitioner's argument is confused and confusing at best. It acknowledges that both lower Courts looked at the documents and held for Respondents. Yet it states (p. 11) in one breath

> ". . . insofar as this Petition is concerned, it makes no difference whether the Court examined them."

and then goes on to state:

> "The question of whether or not 'the privilege takes flight' cannot be decided by looking at the documents. This must be decided by examining other evidence to see if there is 'something to give colour to the charge' of fraud."

Despite the fact that the lower Courts have both considered all the evidence other than the documents in question and have even examined *in camera* those documents before holding for Respondents, Petitioner seems to be arguing that the question of "whether privilege takes flight" could only be established by examining "other evidence". So far as can be determined the "other evidence" is simply the evidence which the Courts have already considered. Yet, based on this circuitous reasoning, Petitioner argues that the Court should vacate the judgment below.

CONCLUSION.

Both the District Court and the Court of Appeals have held that the documents in question are privileged. Moreover, their dismissal of Petitioner's Complaint on all counts demonstrates that there is no "other evidence" which would "give colour to the charge of fraud".

The Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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SERVICE

Service of this Respondents' Brief Opposing Petition For Writ of Certiorari has been made upon Petitioner by mailing copies to Mr. Earl Babcock, their attorney, 200 Hightower Building, Oklahoma City, Oklahoma 73102, this 17th day of September, 1965.

Attorneys for Respondents